

三星科技股份有限公司

SAN SHING FASTECH CORP.

Sincerely Welcome to
San Shing Fastech Corp.

NOV. 17, 2023

TWSE : 5007



Disclaimer

- **This briefing and related information originate from the internal, external data, and outlook for the future, which reflects our perspectives so far. We shall not be responsible for reminding or updating the information if there are any changes or adjustments in the future.**
- **We have not issued any financial forecast. The finance, business or Q& A of our company under this presentation may differ from the actual results in the future. The reasons for these differences may include the change in market demand, ex-factory price, raw material price fluctuations, horizontal competition, the world economic situation, currency fluctuations, upstream and downstream supply chain and other risk factors that are out of our control.**



Agenda

- **Company Overview**
- **Industry Overview**
- **Operational Overview**
- **Financial Overview**
- **Sustainability Report(ESG)**
- **Future Prospects**



Company Overview

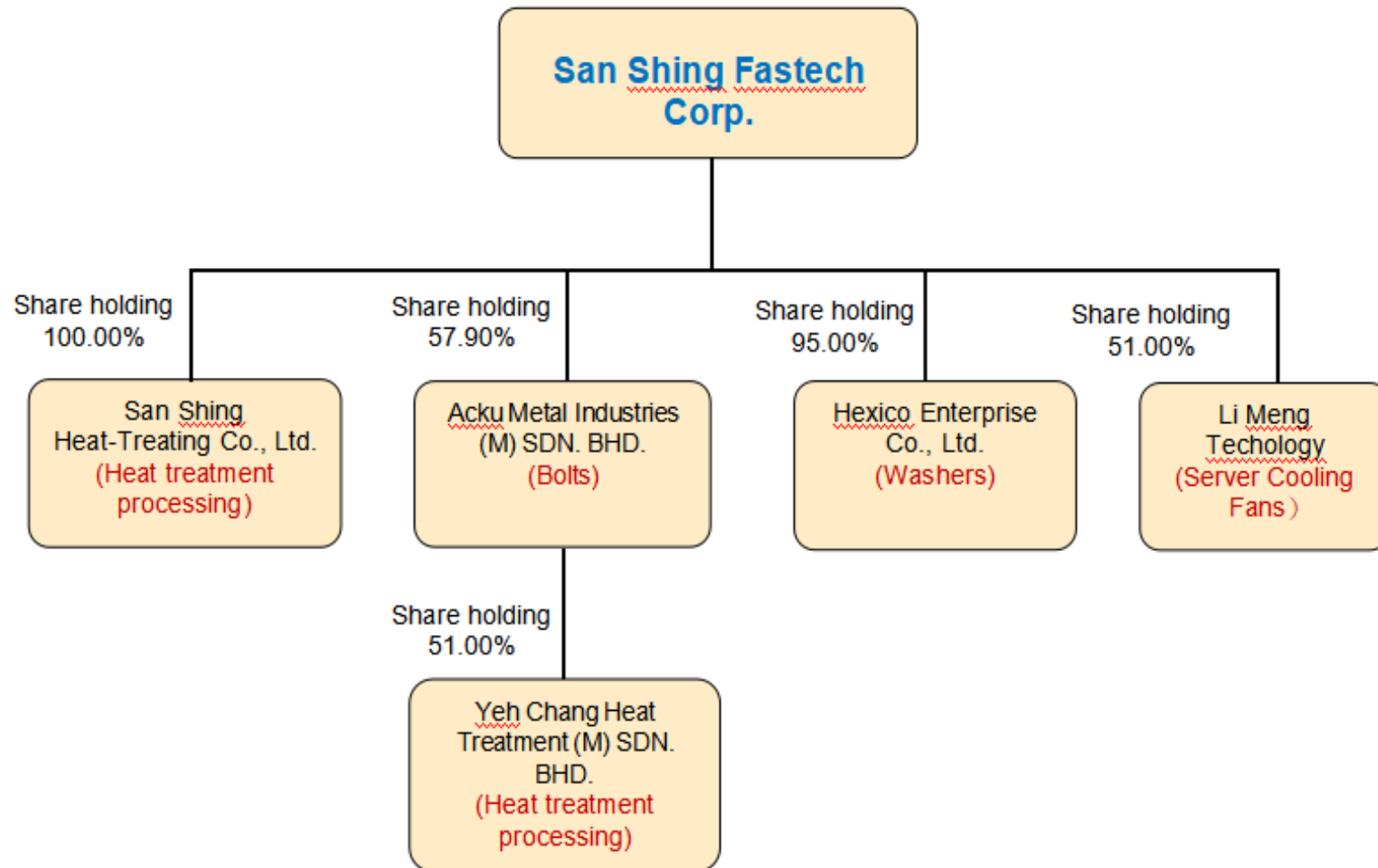


Company Profile

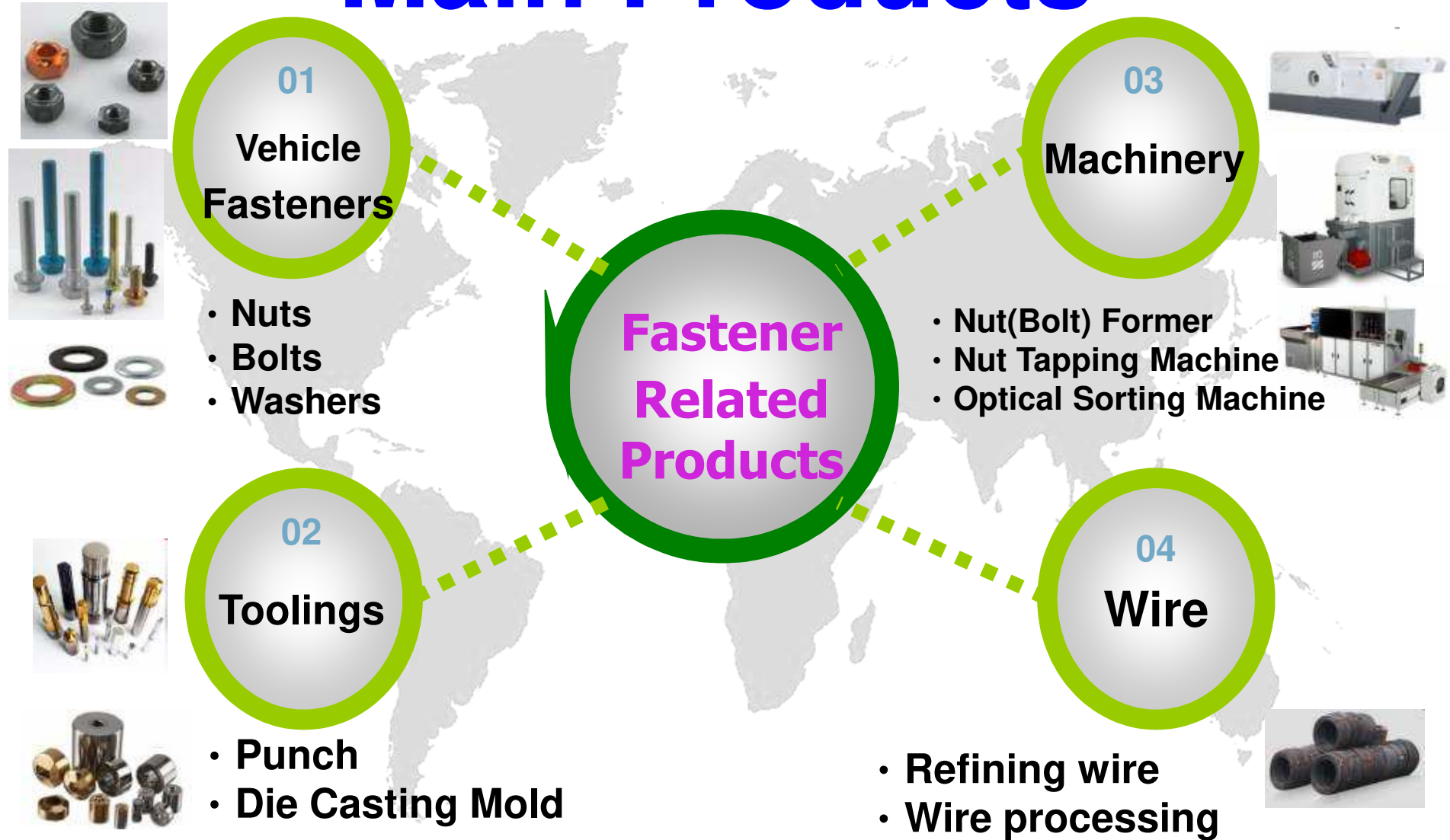
- Founded on July 2, 1965
- GTSM: Jan. 17, 1998 ; TSEC: Sep. 16, 2011
- Employees: 1,390; Land: 194,541 M²; Capital: NT\$ 2.95 billion
- Market Position: **The largest nut manufacturer** in automotive industry in the world with annual output over 50,000 tons
- **More than 95% of nuts and bolts** exported to Japan ,Europe and USA, nuts exports **accounted for about 1/6** of Taiwan's total exports
- **90% of the equipment is developed and manufactured** by ourselves with more than 150 patents.



San shing Group



Main Products



Main Products-Vehicle Fasteners



Fasteners-Nuts

Nut Products



Retainer &
Cage Nut



Weld Nut



Flange Nut



Clinch Nut/p>



Slotted Nut



Locking Nut



Wheel Nut



Nylon Insert
Nut



Hot Forming
Square Nut



Auto Parts



GEOMET
Coating Nut



Hot Forming
Nut



Torque
converter Parts



Customized
Fasteners



Collar



Customized
Fasteners



Sleeve &
Spacer



Nut with
Washer



Fasteners-Bolts

Bolt Products



Knurled Bolt



Weld Bolt



External 6-Lobe Bolt



GEOMET Coating Bolt



Shoulder Bolt



Clinch Bolt



Special Alloy Bolt



Customized Bolt



Internal Serrated Bolt



Internal 6-Lobe Bolt



Customized Bolt



Double End Bolt



Fasteners-Washers

Cold Forging & Stamping Products



JIS 1186 Washer



ASTM F436 Washer



DIN 125A Washer



DISCLOCK Washer



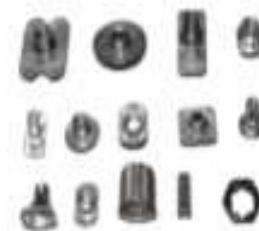
Stamping Washer



Stamping Fastener



Stamping Assembly
Parts



Stamping Parts



Production equipment-Toolings

Tooling Products



Segmented Dies For Nut & Bolt



Carbide Six-Lobe Punch & Dies



Carbide Hex Punch



Hot Forging Tooling



Customized Tooling



Customized Tooling2



Production equipment-Machinery

Products



[SNF-P]
Precision Series Nut Former-
[Detail]



[SNF-B]
Basic Series Nut Former-[Detail]



[SBF]
Bolt Former-[Detail]



[SNT]
4 Spindles Nut Tapping
Machine-----[Detail]



[SNT-D]
Round Nut Tapping Machine--
--[Detail]



[SNS]
Optical Nut & Bolt Sorting
Machine-----[Detail]



[SBM]
Bolt Measurement Machine-----
--[Detail]



[SNA]
Nylon Insert Assembly
Machine-----[Detail]



Main raw materials-Wire



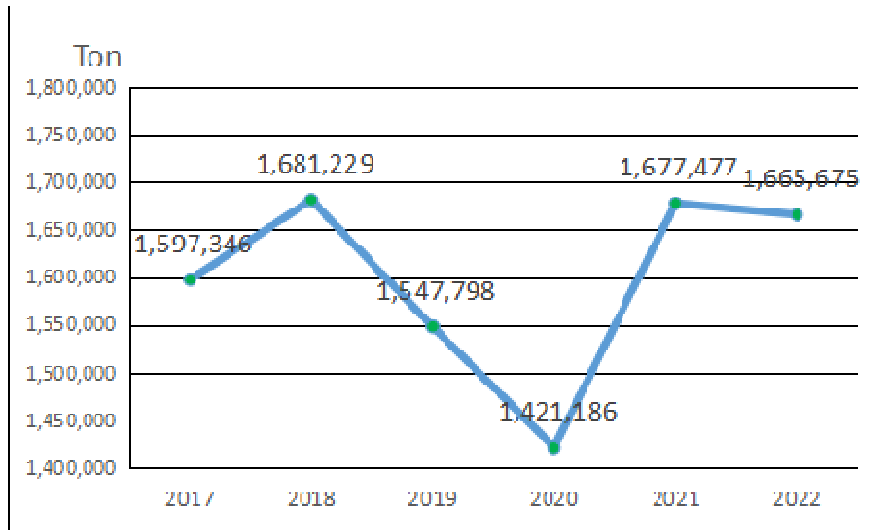


Industry Overview

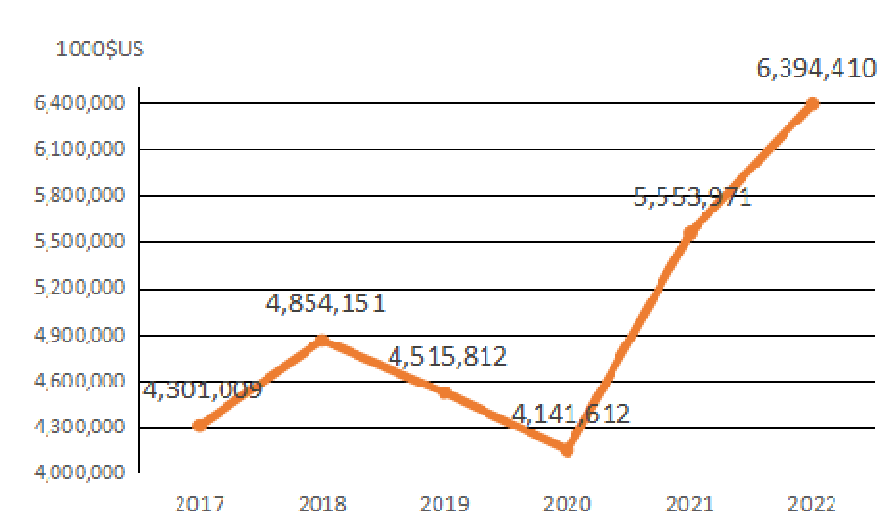


Export of Taiwan Fasteners

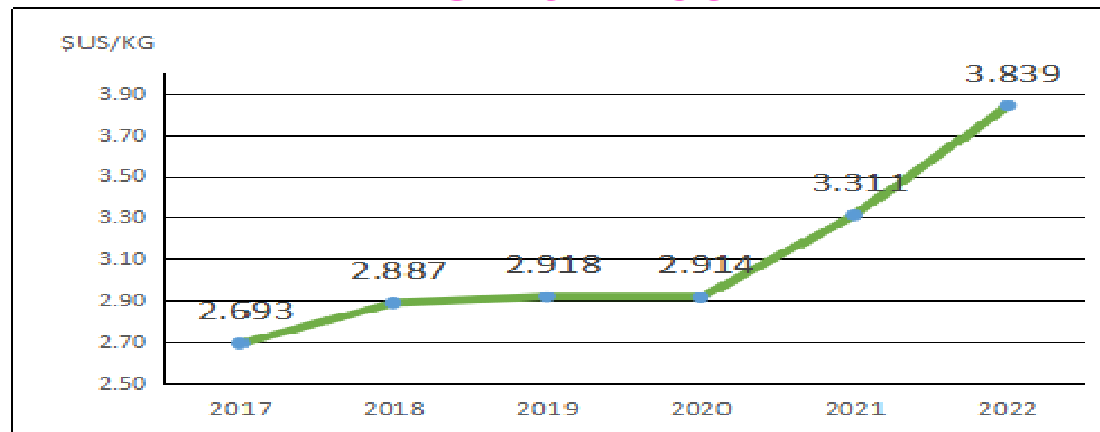
Weight



Amount



Unit Price



Export Weight of Taiwan Fasteners

Unit : Ton ; %

Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles.

Fastener Item No.	2023. 01~09	2022. 01~09	(%)	Difference	Diff.(%)
73170010	2	12	0.00%	(10)	(86.76%)
73170090	29,717	38,484	3.07%	(8,767)	(22.78%)
7318	934,652	1,249,004	96.46%	(314,352)	(25.17%)
7415	2,940	3,941	0.30%	(1,001)	(25.40%)
76161000	660	1,057	0.07%	(398)	(37.64%)
79070020	727	1,084	0.08%	(357)	(32.92%)
83082000	228	250	0.02%	(22)	(8.80%)
Total	968,926	1,293,833	100.00%	(324,907)	(25.11%)
Source: Bureau of Foreign Trade					



Export Areas of Taiwan Fasteners

Unit : Ton ; %

Ranking	Area	2023. 01~09	2022. 01~09	(%)	Diff(%)
1	North America	471,477	640,404	48.66%	(26.38%)
2	Europe	314,568	428,800	32.46%	(26.64%)
3	Asia	126,400	151,855	13.05%	(16.76%)
4	Central America	25,537	28,746	2.64%	(11.16%)
5	Oceania	18,140	25,526	1.87%	(28.94%)
6	South America	7,399	13,099	0.76%	(43.51%)
7	Africa	5,400	5,383	0.56%	0.32%
	Others	5	20	0.00%	(75.00%)
	Total	968,926	1,293,833	100.00%	(25.11%)

Source: Bureau of Foreign Trade



Export Countries of Taiwan Fasteners

Unit : Ton ; %

Ranking	Country	2023. 01~09	2022. 01~09	(%)	Diff(%)
1	United States	442,390	596,276	45.66%	(25.81%)
2	GERMANY	79,369	111,232	8.19%	(28.65%)
3	Netherlands	67,096	71,502	6.92%	(6.16%)
4	Japan	38,916	53,889	4.02%	(27.78%)
5	Canada	29,087	44,129	3.00%	(34.09%)
6	United Kingdom	27,354	39,880	2.82%	(31.41%)
7	Mexico	23,179	25,686	2.39%	(9.76%)
8	Italy	22,847	33,934	2.36%	(32.67%)
9	Spain	22,510	23,918	2.32%	(5.89%)
10	China	17,802	20,593	1.84%	(13.55%)
	Others	198,376	272,794	20.47%	(27.28%)
	Total	968,926	1,293,833	100.00%	(25.11%)

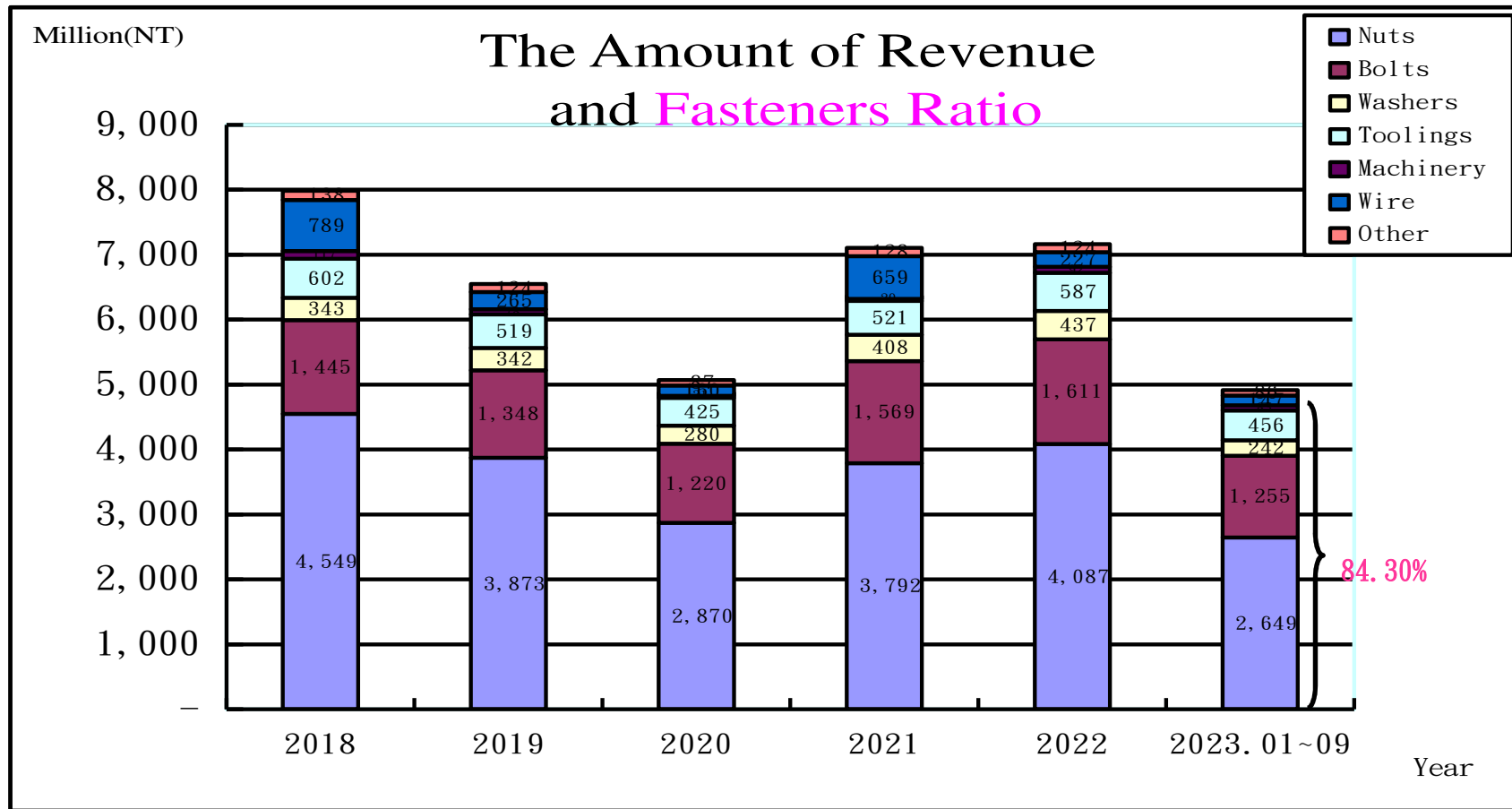
Source: Bureau of Foreign Trade





Operational Overview

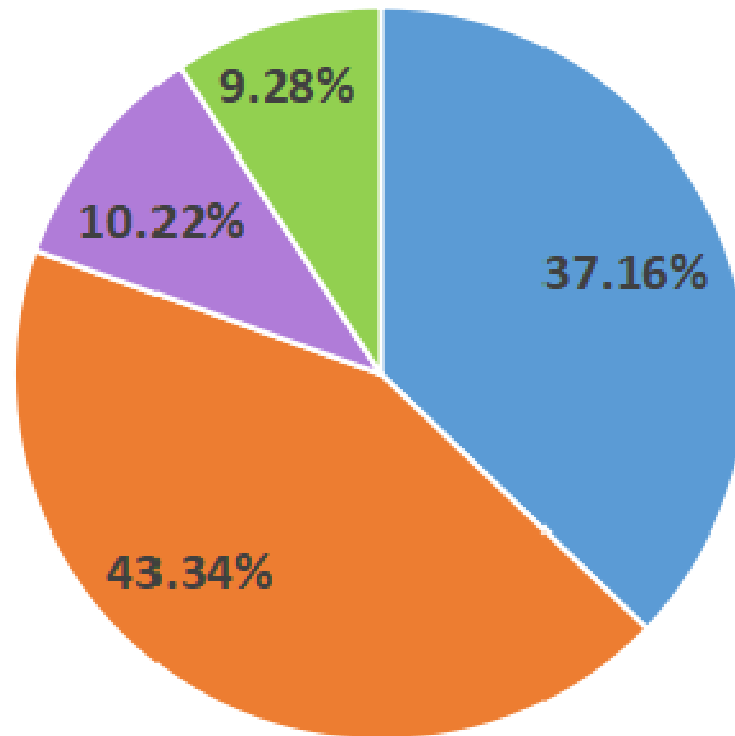
Business Description



Total	7,982	6,549	5,073	7,107	7,165	4,917
Fasteners%	79.38%	84.94%	86.15%	81.17%	85.63%	84.30%



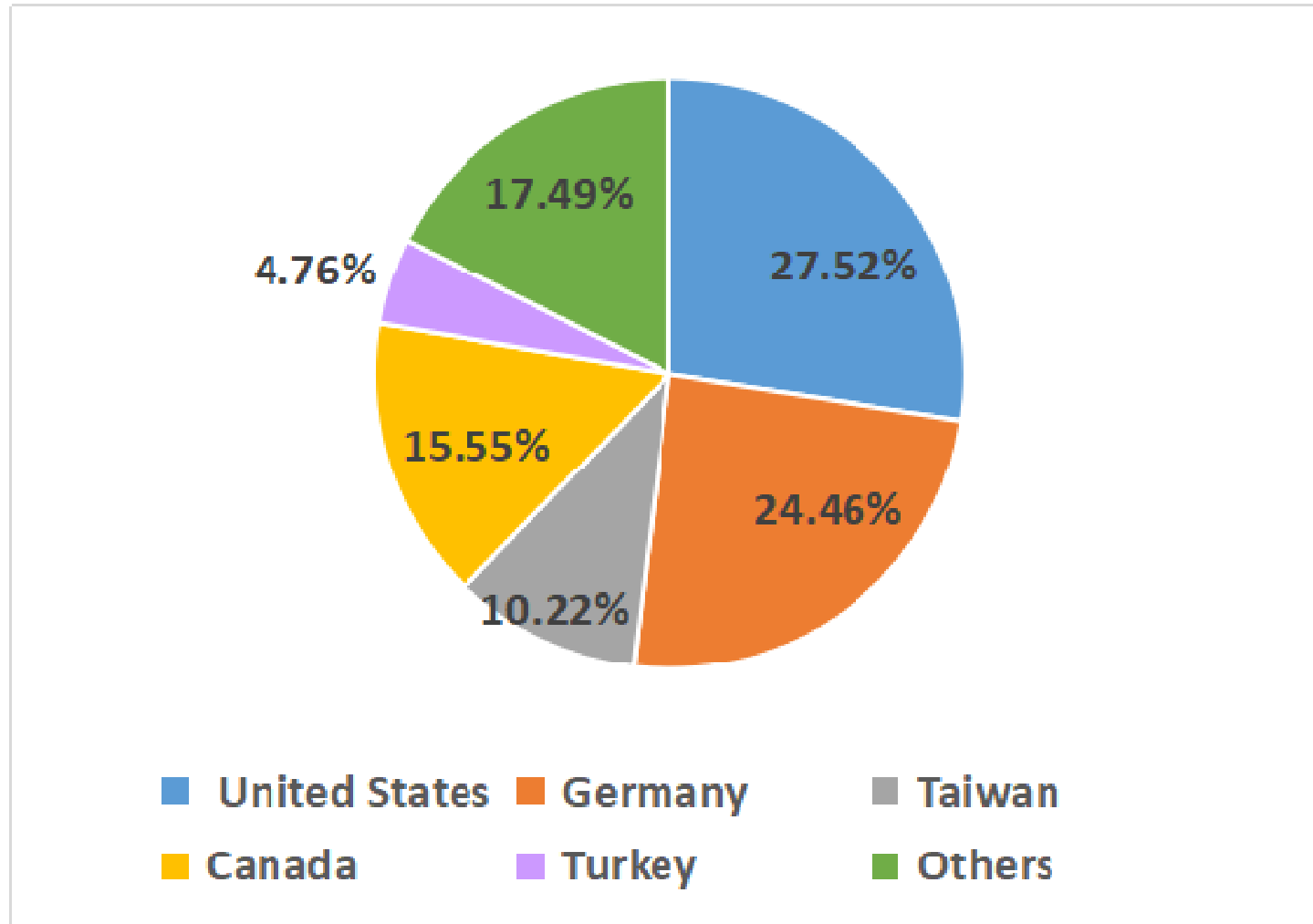
Sales Breakdown by Region



■ Europe ■ America ■ Taiwan ■ Asia and Others



Sales Breakdown by Country



Product Applications

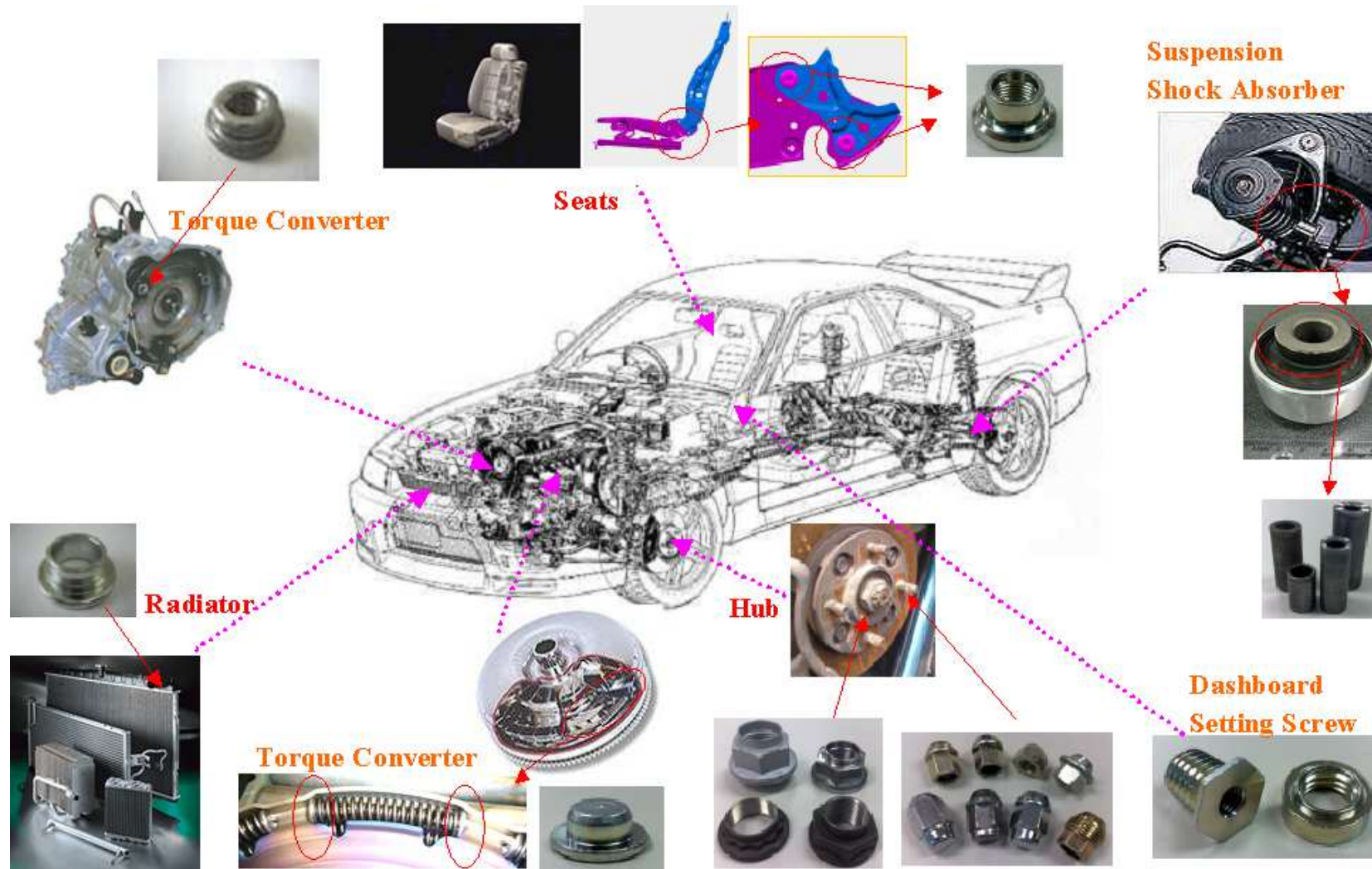
Automobile Body



Automobile Engine



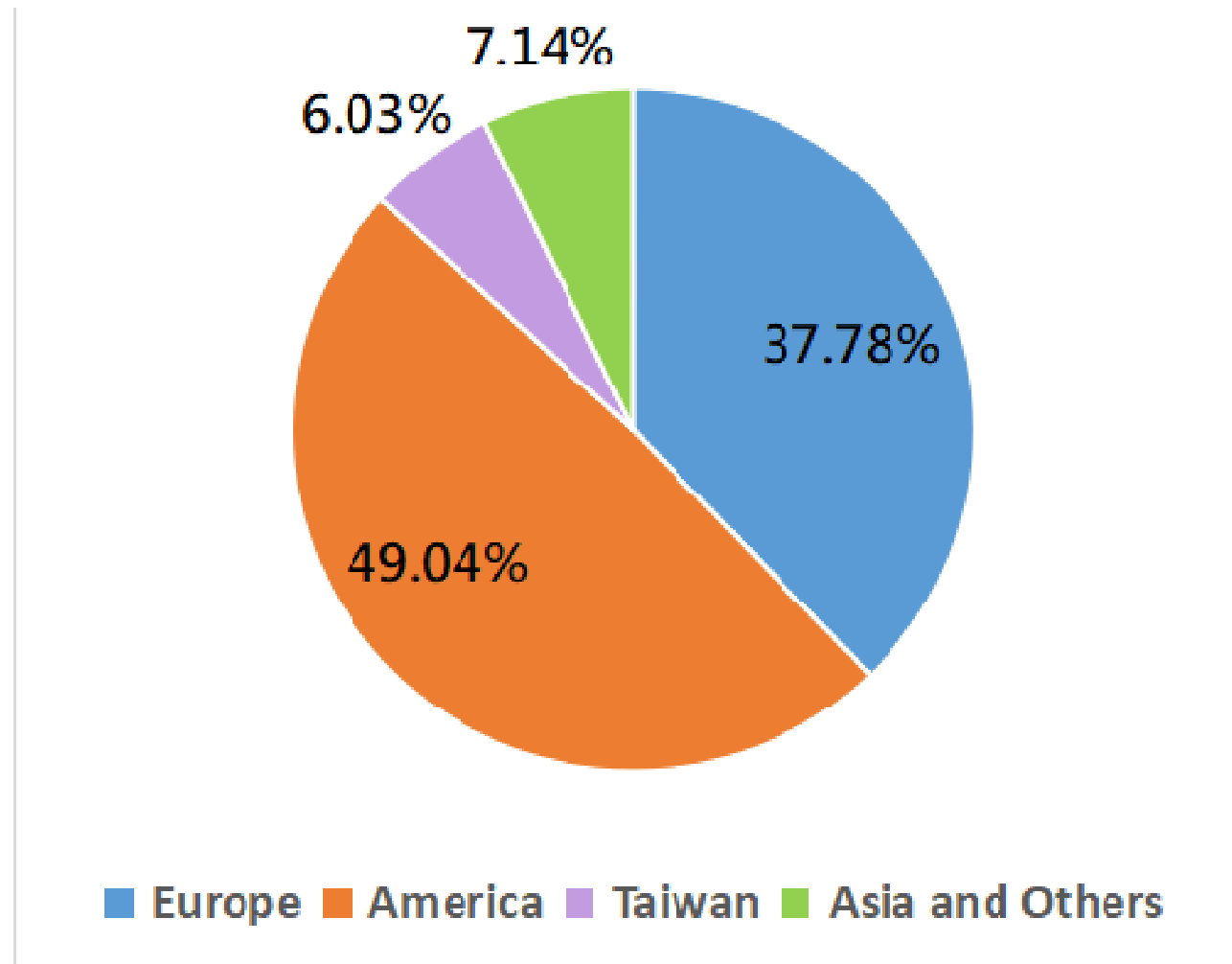
Product Applications



Main Clients

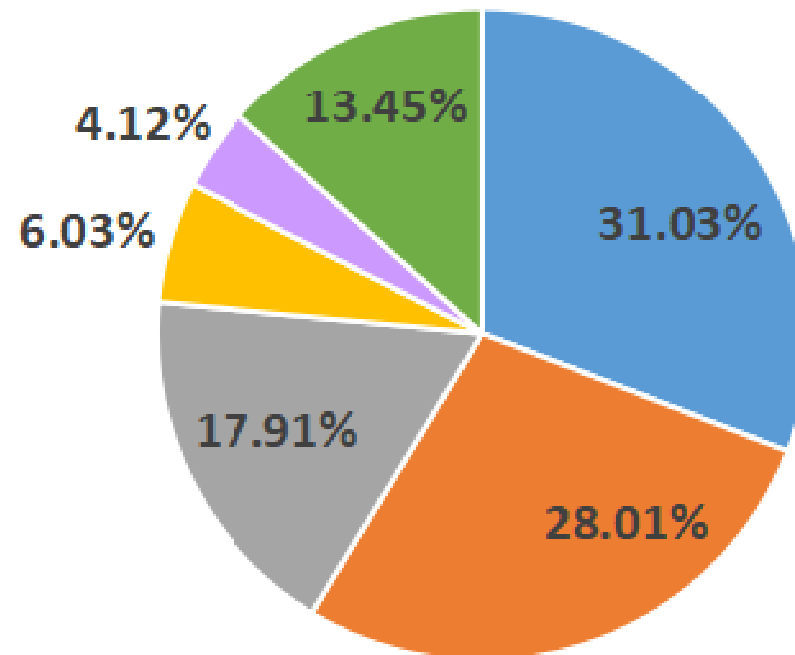


Sales Breakdown by Region Fasteners



Sales Breakdown by Country

Fasteners



■ United States ■ Germany ■ Canada
■ Taiwan ■ Netherlands ■ Others



Competitive Edge

Prominent Technology

Strong Ability to **Develop** Tooling and Equipment

90% of the equipment is developed and manufactured by ourselves

Posses **150 patents** in nearly **30 fields** over 20 countries globally



Vertical Integration of Optimal System

From Wire Pickling and Refining Drawing to Forming, Tapping(Threading) and Pressing, and Finally to Heat & Surface Treatment

Processing time minimization and quality control
Cost minimization



COMPETITIVE EDGE

Large Production Scale with Full Variety of Products



Satisfy Customer's Each Demand **At One Time**

The annual output of nuts is nearly 50,000 tons, its exports account for about 1/6 of Taiwan's total exports.

Strict Quality Control System and Management

The **first** nut manufacturer in Asia with QS-9000 certification

The **first** fastener manufacturer in Taiwan with ISO 14001 & OHSAS 18001

The **first** nut manufacturer in Taiwan with ISO 9002, TS 16949 and AS 9100



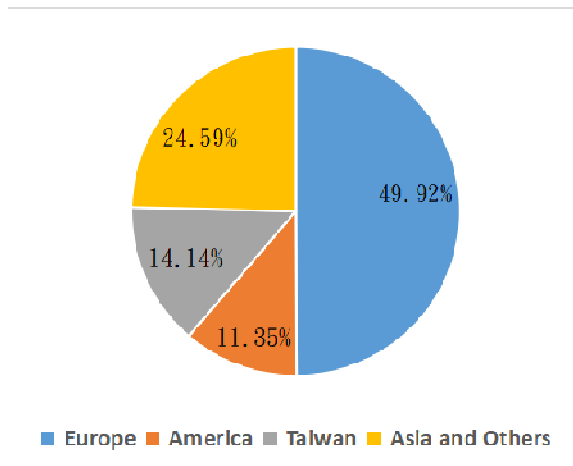
Ability of Tooling Manufacturing and Design

We have a wide variety of manufacturing equipment and excellent ability of **design and processing**.

Tooling Products: **35% for producing fasteners internally; 65% for supplying domestic and foreign clients constantly.**



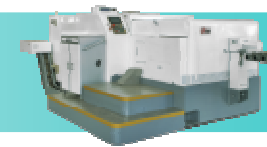
Sales Breakdown by Regions



Technology and Ability of Machinery Design and Manufacturing

90% of fastener-manufacturing equipment is designed and manufactured by ourselves

1. Nut Former



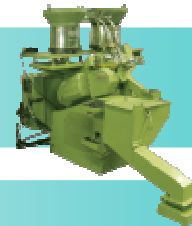
2. Bolt Former



3. Nut Tapping Machine



4. Nylon Insert Assembly Machine



5. Nut/ Bolt Sorting Machine

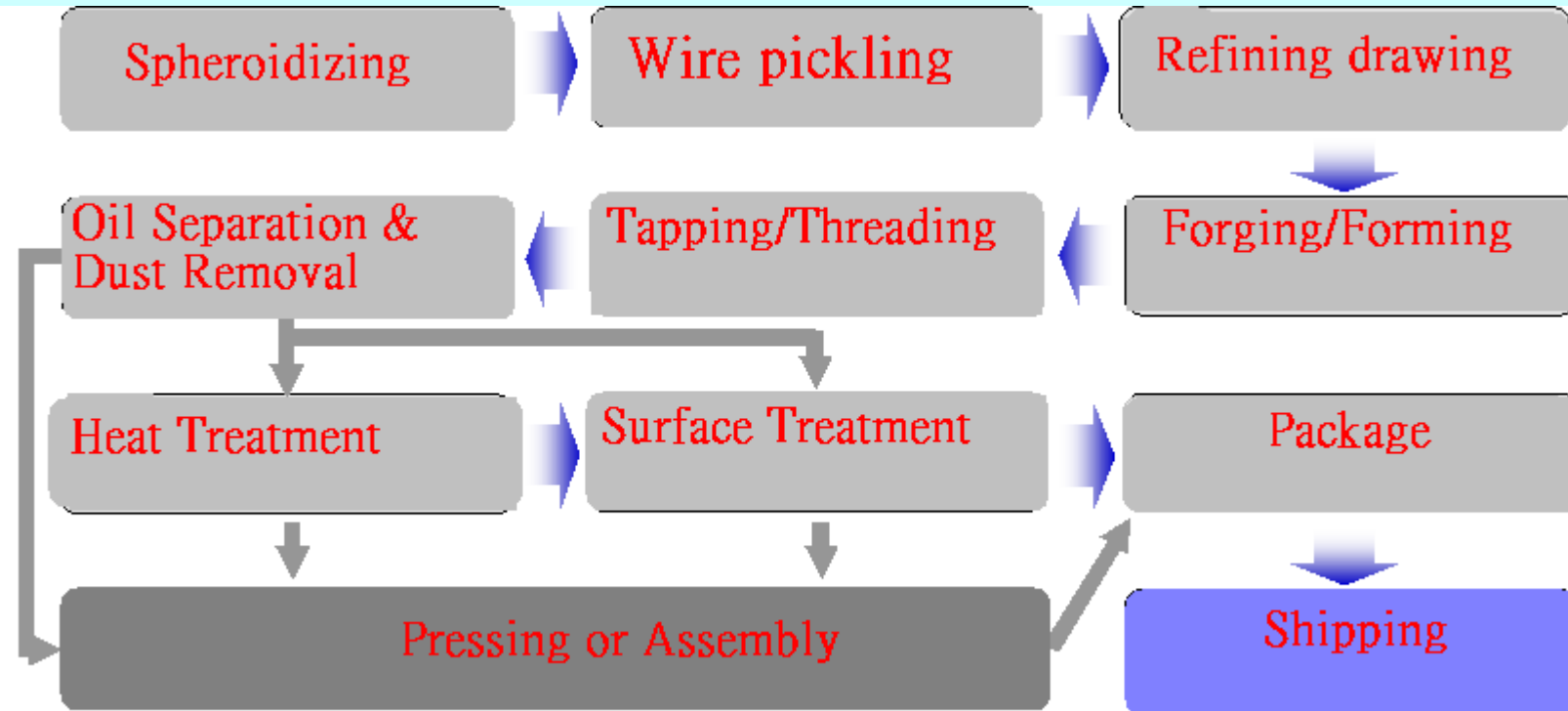


6. Bolt/Cylindrical Parts Measurement



Manufacturing Process of Consistency

With **consistent manufacturing process**, our manufacturing integration system is the most optimal within fastener industry.





Financial Overview

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME(1)

Million(NT)	2018	2019	2020	2021	2022
Operating Revenues	7,982	6,549	5,073	7,107	7,165
Gross Profit	1,837	1,407	1,020	1,747	1,879
Operating Profit	1,388	993	657	1,230	1,266
Interest Expense	(2)	(2)	(1)	(1)	(1)
Pretax Profit	1,433	1,035	760	1,262	1,374
Net Profit	1,139	834	616	1,005	1,094
Owners of the Corporation	1,121	818	602	983	1,060
EPS	3.80	2.77	2.04	3.33	3.60

[Note] Adjusted earnings per share with NT\$ 2.95 billion share capital.

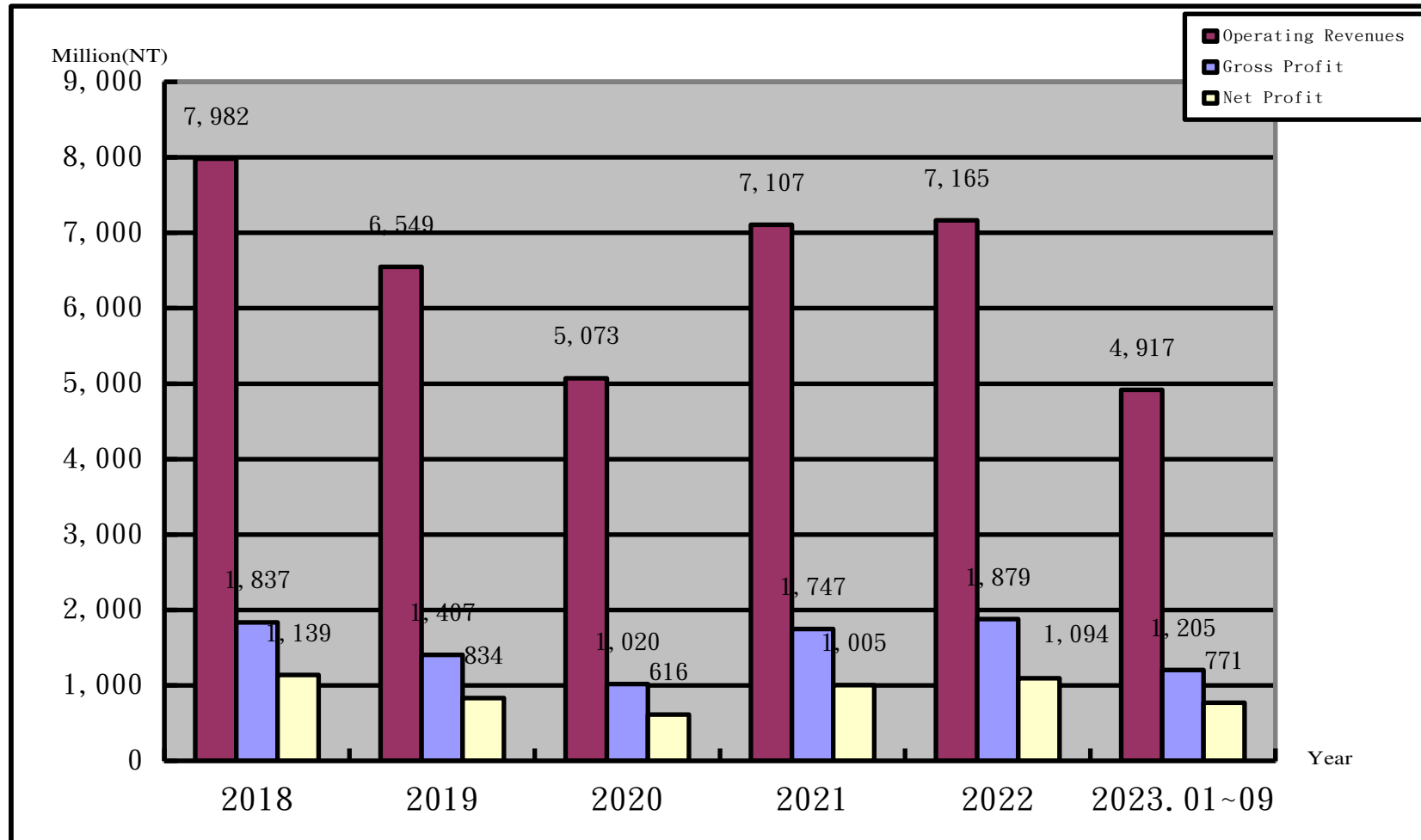


CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME(2)

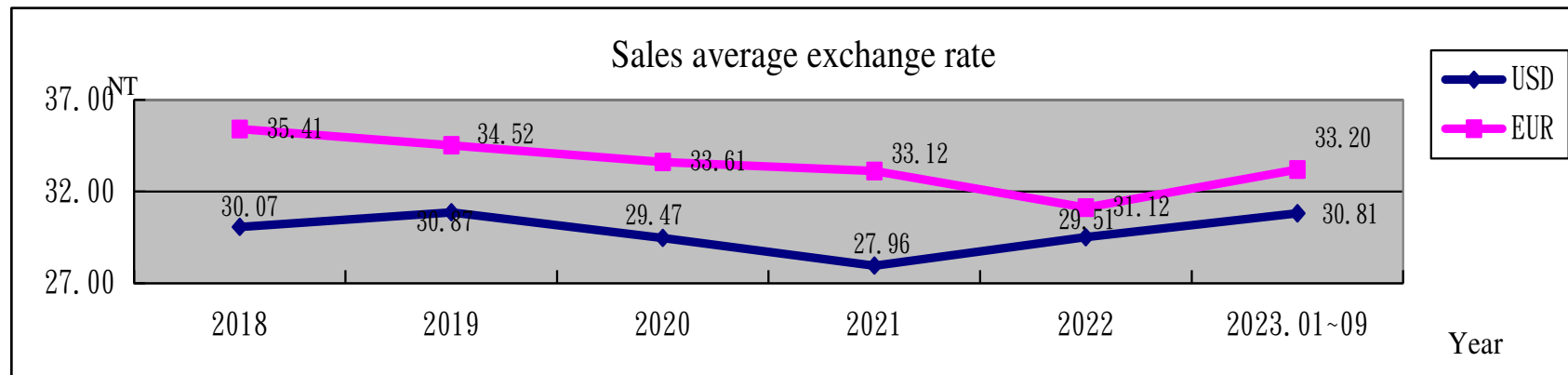
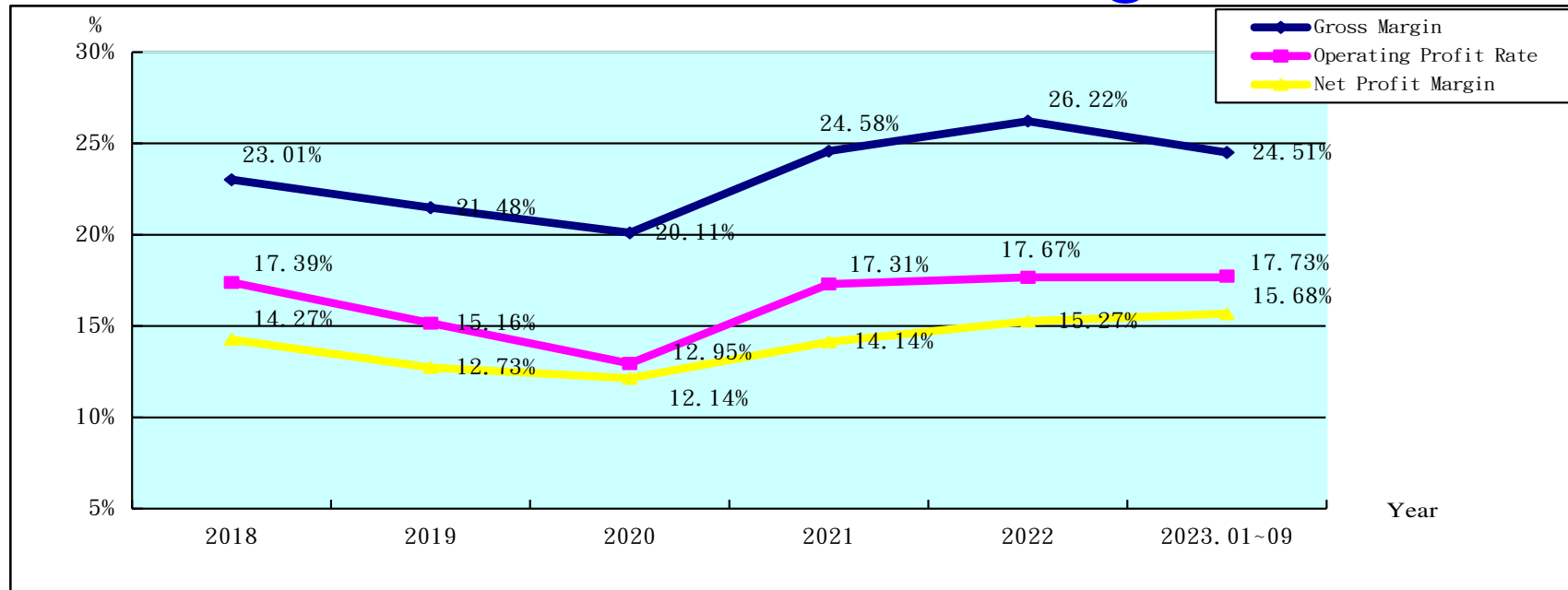
Million(NT)	2023. 01~09	2022. 01~09	Difference
Operating Revenues	4,917	5,501	(584)
Gross Profit	1,205	1,439	(234)
Operating Profit	872	950	(78)
Interest Expense	(1)	(1)	0
Pretax Profit	973	1,061	(88)
Net Profit	771	846	(75)
Owners of the Corporation	757	820	(63)
EPS	2.57	2.78	(0.21)
Sales average exchange rate	2023. 01~09	2022. 01~09	Difference
USD	30.81	29.06	1.75
EUR	33.20	30.96	2.24



Operating Revenue 、Gross Profit and Net Profit Trend



Gross Margin, Operating Profit Rate and Net Profit Margin



CONSOLIDATED BALANCE SHEETS AND FINANCIAL RATIO

Million(NT)		2018	2019	2020	2021	2022
Balance Sheets	Current Assets	4,779	4,345	4,395	5,157	5,440
	Fixed Assets	3,391	3,266	3,086	2,989	2,932
	Total Assets	8,450	7,848	7,721	8,386	8,576
	Current Liabilities	1,406	918	838	1,148	1,135
	Total Liabilities	1,884	1,353	1,243	1,513	1,475
	Capital	2,949	2,949	2,949	2,949	2,949
	Stockholders' Equity	6,566	6,495	6,478	6,873	7,101
Financial Ratio	Liabilities Ratio	22.30	17.24	16.10	18.04	17.20
	ROA	13.72	10.25	7.92	12.48	12.90
	ROE	17.67	12.76	9.49	15.05	15.65
	Times Interest Earned	608.44	460.83	656.57	2,485.78	1,676.03





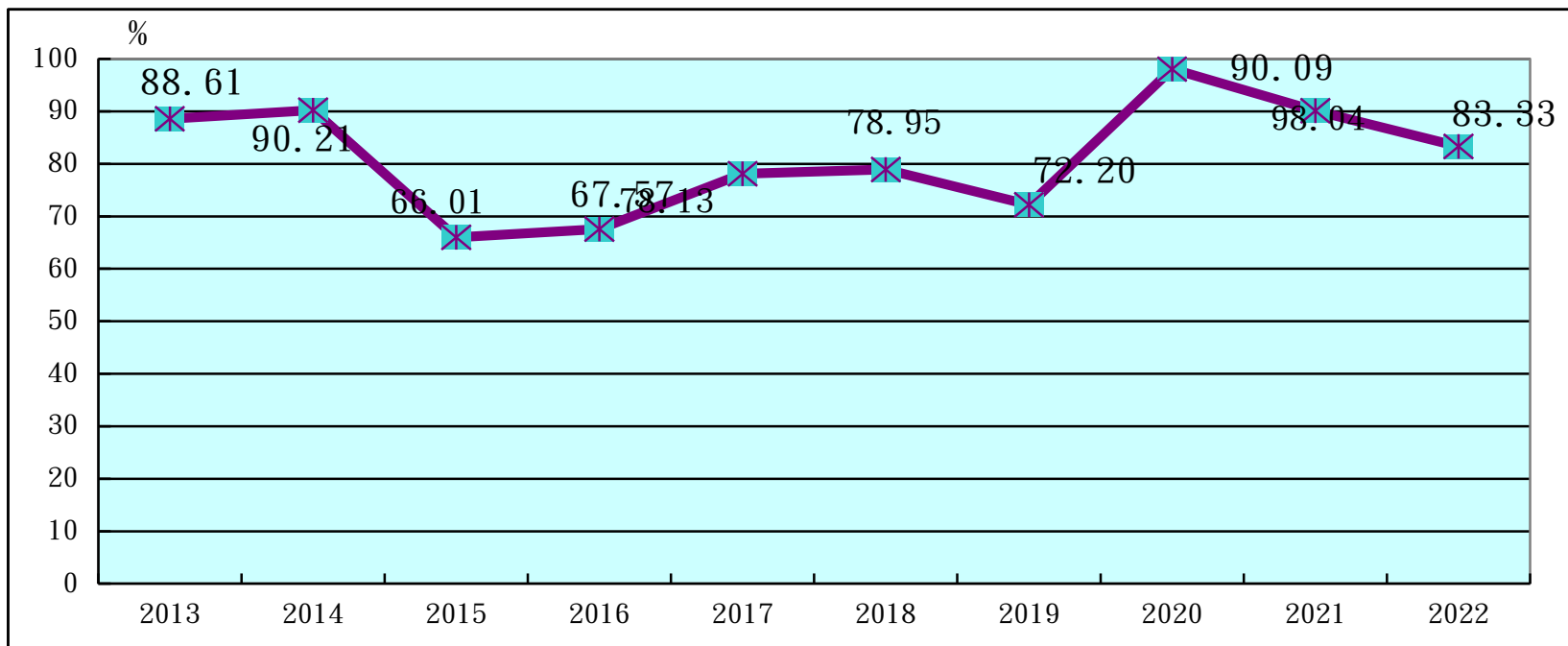
Dividend Policy

- ◆ Yearly depreciation can afford capital expenditure of the year. Board of directors prefer to distribute cash dividends regarding dividend policy.
- ◆ Distribution of cash dividends in recent years :

Unit : dollar/share

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash dividends	2.00	2.50	2.00	2.50	3.00	3.00	2.00	2.00	3.00	3.00
Stock dividends	1.50	1.00	-	-	-	-	-	-	-	-
Total	3.50	3.50	2.00	2.50	3.00	3.00	2.00	2.00	3.00	3.00

Dividend Distribution Rate



Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Dividends	3.50	3.50	2.00	2.50	3.00	3.00	2.00	2.00	3.00	3.00
EPS	3.95	3.88	3.03	3.70	3.84	3.80	2.77	2.04	3.33	3.60
%	88.61	90.21	66.01	67.57	78.13	78.95	72.20	98.04	90.09	83.33





Sustainability Report(ESG)



Sustainability (ESG) reporting implementation status

- **The first edition of the Sustainability Report was filed on September 27, 2023 and made available on the company's website.
Website: <http://www.sanshing.com.tw/company7.html>**
- **External verification by SGS of our company's ISO 14064-1 GHG inventory for the fiscal year 2022 was successfully completed on November.**





Future Prospect



Focus On Production Technology And Efficiency On Fasteners

- **Maximum profit from up-to-date technology and utmost efficiency.**
- **Constant and self-sustaining development on technology renewal and efficiency enhancement toward fasteners production .**
- **Leveraging external resources to implement Zero Defect Management through AI - Intelligent Inspection of Every Bolt and Nut.**

By utilizing ASUS' AISVision machine vision toolkit, we have seamlessly integrated our self-developed AOI visual inspection system into an AI-powered intelligent AOI inspection system with learning capabilities.





Expansion in Bolt Manufacturing Sector and Service Enhancement in All Aspects

Fasteners categories:

70% bolts, 20% nuts and 10% washers

- **San Shing has existing advantages listed below to enter the bolts domain :**
 - **New plant is close to the existing factory and can be supported by existing organizational resources.**
 - **Be able to produce tooling and machines of bolts**
 - **Equipments for pre- and post- treatments of bolts.**
 - **Existing market channels for bolts and nuts**





Li Meng Technology Future Development

- **Main Products:**

 - Server Cooling Fans.**

- **Current stage:**

 - Currently in R&D stage, expected to be in pilot production early next year.**

- **Product development goal:**

 - To develop herringbone groove dynamic bearings, to overcome the friction, noise, vibration drawbacks of conventional ball bearings with better energy efficiency. When applied to high-speed micro server fans, it can improve the disadvantage associated with traditional ball bearings in high-speed server fans. With the emergence of AI servers, the demand for high-speed cooling fans is increasing, and the future of the product is promising.**

